



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
DAVE GOETZ
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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May Revenues

Nashville – On an accrual basis May is the tenth month in the 2002-2003 fiscal year. Department of Revenue tax collections were \$681.5 million. The collections include new revenue collected under the Tax Reform Act of 2002.

May revenues were \$18.1 million more than the budgeted estimates, Finance and Administration Commissioner Dave Goetz announced today. The general fund had a \$14.3 million overcollection and the four other funds overcollected by \$3.8 million.

Sales tax collections were \$1.9 million less than the estimate. Adjusted for the rate change and the single article cap, sales tax collections increased by 1.04% for the month. For August through May the adjusted growth is 1.43%.

Franchise and excise taxes combined were \$46.1 million for the month. Collections were \$9.8 million more than the budgeted estimate. For ten months revenues were \$19.7 million overcollected.

Gasoline taxes and motor vehicle registrations in May were \$4.5 million more than the budgeted estimate of \$91.9 million.

Year-to-date collections for ten months are \$13.5 million less than the budgeted estimate. The general fund has an undercollection of \$11.2 million and the four other funds are undercollected by \$2.3 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of 2002.

REVENUE COLLECTIONS
MAY, 2003, AND 10 MONTHS YEAR-TO-DATE

May Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$533,479,000	\$547,737,000	\$14,258,000
Highway Fund	56,140,000	58,130,000	1,990,000
Sinking Fund	19,016,000	18,984,000	(32,000)
City & County Fund	52,327,000	54,238,000	1,911,000
Earmarked Fund	2,491,000	2,447,000	(44,000)
Total	\$663,453,000	\$681,536,000	\$18,083,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$5,683,654,000	\$5,672,416,000	(\$11,238,000)
Highway Fund	505,651,000	509,073,000	3,422,000
Sinking Fund	189,646,000	189,720,000	74,000
City & County Fund	554,503,000	548,895,000	(5,608,000)
Earmarked Fund	26,105,000	25,995,000	(110,000)
Total	\$6,959,559,000	\$6,946,099,000	(\$13,460,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	May		Change	Percent
	2002	2003		
Franchise & Excise	\$33,338,000	\$46,054,000	\$12,716,000	38.14%
Income	4,509,000	3,508,000	-1,001,000	-22.20%
Inheritance & Estate	11,416,000	6,035,000	-5,381,000	-47.14%
Gasoline	51,328,000	53,419,000	2,091,000	4.07%
Petroleum Special	5,170,000	5,262,000	92,000	1.78%
Tobacco	6,777,000	10,347,000	3,570,000	52.68%
Beer	1,400,000	1,497,000	97,000	6.93%
Motor Vehicle Registration	23,951,000	23,543,000	-408,000	-1.70%
Motor Vehicle Title	945,000	898,000	-47,000	-4.97%
Mixed Drink	2,913,000	3,165,000	252,000	8.65%
Business	290,000	506,000	216,000	74.48%
Privilege	29,893,000	42,054,000	12,161,000	40.68%
Gross Receipts	430,000	171,000	-259,000	-60.23%
TVA - In Lieu of Tax Payments	16,544,000	16,408,000	-136,000	-0.82%
Alcoholic Beverage	2,425,000	2,915,000	490,000	20.21%
Sales and Use	385,746,000	451,473,000	65,727,000	17.04%
Motor Vehicle Fuel	15,311,000	14,172,000	-1,139,000	-7.44%
Severance	69,000	105,000	36,000	52.17%
Coin-operated Amusement	0	4,000	4,000	-
Total	\$592,455,000	\$681,536,000	\$89,081,000	15.04%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - May			
	2001-2002	2002-2003	Change	Percent
Franchise & Excise	\$761,576,000	\$849,698,000	\$88,122,000	11.57%
Income	142,208,000	113,788,000	-28,420,000	-19.98%
Inheritance & Estate	82,916,000	72,475,000	-10,441,000	-12.59%
Gasoline	472,334,000	493,390,000	21,056,000	4.46%
Petroleum Special	51,097,000	49,967,000	-1,130,000	-2.21%
Tobacco	67,964,000	93,491,000	25,527,000	37.56%
Beer	13,151,000	14,652,000	1,501,000	11.41%
Motor Vehicle Registration	182,357,000	189,783,000	7,426,000	4.07%
Motor Vehicle Title	8,806,000	8,963,000	157,000	1.78%
Mixed Drink	29,678,000	31,722,000	2,044,000	6.89%
Business	3,969,000	4,419,000	450,000	11.34%
Privilege	165,245,000	188,293,000	23,048,000	13.95%
Gross Receipts	16,310,000	10,862,000	-5,448,000	-33.40%
TVA - In Lieu of Tax Payments	166,796,000	165,824,000	-972,000	-0.58%
Alcoholic Beverage	25,245,000	28,402,000	3,157,000	12.51%
Sales and Use	3,852,070,000	4,498,917,000	646,847,000	16.79%
Motor Vehicle Fuel	125,432,000	130,107,000	4,675,000	3.73%
Severance	921,000	907,000	-14,000	-1.52%
Coin-operated Amusement	12,000	439,000	427,000	-
Total	\$6,168,087,000	\$6,946,099,000	\$778,012,000	12.61%

Table 3
August - May Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ 12,300,000	\$ 600,000	\$ 12,900,000
Income Tax	(21,800,000)	(11,800,000)	(33,600,000)
Inheritance Tax	(8,000,000)	0	(8,000,000)
Privilege Tax	10,400,000	(100,000)	10,300,000
Business Tax	(11,300,000)	0	(11,300,000)
TVA	(3,000,000)	(1,900,000)	(4,900,000)
Gross Receipts	(6,200,000)	0	(6,200,000)
Gasoline & Motor Vehicle Registration	(1,700,000)	10,500,000	8,800,000
Other Taxes	<u>(1,600,000)</u>	<u>400,000</u>	<u>(1,200,000)</u>
Sub-Total	<u>\$ (30,900,000)</u>	<u>\$ (2,300,000)</u>	<u>\$ (33,200,000)</u>
F & E Taxes	<u>19,700,000</u>	<u>0</u>	<u>19,700,000</u>
Total	<u><u>\$ (11,200,000)</u></u>	<u><u>\$ (2,300,000)</u></u>	<u><u>\$ (13,500,000)</u></u>